What is Capitalism?

by DSA NPEC

Published on Jan 31, 2023

last released
2 years ago

Module Preview

As socialists, we want to transform the world into one that is just, with freedom and equality for all. But rather than begin with the world as we want it to be, we must start with the world as it is, because the state of the world constrains our options and defines the means available to us to create a better world.

Most of us (indeed, the vast majority) are workers, and that means we already have first hand experience of capitalism: the deprivations, the instability, the compulsion to sacrifice hours and hours every day to work for someone else. First, we must understand that these are not individual or unique problems, but problems shared by the whole working class.

However, capitalism cannot be fully understood just by looking at experiences that are common to all workers. This is because capitalists rely upon dividing the working class to maintain their control: while collectively we are powerful, divided we are weak. There are many lines along which this division occurs. This module introduces the relationship between capitalism and one such division, racism, which is etched particularly deeply into American life.

Digging into the mechanics of capitalism provides us the tools to dismantle and replace it. Winning socialism is the most ambitious project in history, and we cannot succeed without paying close attention to our opponents and the political, economic, and social terrain. The nature of class society and of specific classes; the way they act and interact; and the material conditions and social relations that structure our lives--all of this is essential knowledge for effective and concrete strategies to build a just society, where everyone is cared for, and all people enjoy freedom and equality.

The readings for this module are arranged in an order that has each reading building on the ideas in the preceding reading. The excerpt from the *Communist Manifesto* by Karl Marx and Friedrich Engels describes the historical emergence of capitalism as a social system, the main classes it

produces, and the political roles played by these classes in capitalist society and in the class struggle to replace capitalism with socialism. The excerpt from *Understanding Capitalism* by Vivek Chibber builds on this historical understanding to define in more detail what capitalism is and how it works economically.

After both these basic elements are established, the module moves to the excerpt from Keeanga-Yamahtta Taylor's *From #BLM to Black Liberation*, which introduces the relationship between capitalism and the historical and present oppression of Black people. Finally, Erik Olin Wright's article *But At Least Capitalism is Free and Democratic, Right?* brings us to the political question of what capitalism means for the freedom of working class people and for democracy. If capitalism is undemocratic and makes our class unfree, we have to replace it with a new social system democratically planned by working people - socialism.

In this module you will find:

1. Readings:
    1. The Communist Manifesto, an excerpt
    2. Understanding Capitalism, an excerpt
    3. From #BLM to Black Liberation, an excerpt
    4. But At Least Capitalism is Free and Democratic, Right?

2. Discussion Guide
3. In-depth Questions for Each Reading

Reading A: "Bourgeois and Proletarians" from The Communist Manifesto by Karl Marx & Friedrich Engels

(12 pages, 30-40 minute read)

Background

Written in 1848 by Karl Marx and Friedrich Engels, this is one of the foundational texts of the socialist movement. The first chapter covers the expansion of capital and the consolidation of the bourgeoisie as a class, as well as their relationship to the proletariat (the working class) and their role in history.

Crucial to Marx and Engels' understanding of socialism is their appreciation of the power of capitalism, not simply to dominate and exploit, but to create vast amounts of wealth. Prior to capitalism, no society existed that produced enough for every person to not only be fed, clothed and housed, but to enjoy luxuries and meaningful free time. While capitalism is incapable of providing a just distribution of this wealth, it has ushered in an era of unprecedented wealth. Because the working

class produces this wealth, it is the unique agent of change that can upend this status quo.

The Manifesto not only shows capitalism to be a historical phase, and not something that has existed forever, but it also points towards the potential, even the inevitability, that something else will replace it.

This text was written almost 200 years ago! If it's hard to read, start here with this NPEC PODCAST EPISODE discussing it.

See below for some suggested discussion guidelines for your group.

Reading B: Excerpt from "Understanding Capitalism" by Vivek Chibber

(13 pages, 25 minute read)

Background

In this excerpt from his three-part ABCs of Capitalism, Chibber lays out the fundamental economic mechanics that structure capitalism, particularly as they contrast with previous modes of economic organization. Understanding these dynamics is essential for socialists. Capitalism is not exploitative because capitalists are bad people (although many are), but because

the mechanics of the system push the choices of capitalists and workers alike into certain channels based on their material interests. Understanding these pressures allows us to make informed and strategic interventions to shift them in the direction of socialism.

Because of their importance, these basic mechanics have been the subject of constant debate by socialists, often around which of the three key attributes of capitalism Chibber identifies is most important: private ownership of the means of production by a distinct class, wage labor, or market dependence. Different answers lead to further questions and different approaches: Which strikes more directly at the heart of the system, worker ownership or decommodification? Are middle class professionals and small business owners more inclined to cooperation or conflict with the capitalist class? How closely do countries like Norway or Cuba come to socialism, and how do they fall short?

This reading is a little more advanced. If you'd like to you can listen to the NPEC PODCAST EPISODE on the chapter to help you in your reading.

See below for some suggested discussion guidelines for your group.

Reading C: Excerpt from From #BlackLivesMatter to Black Liberation by Keeanga-Yamahtta Taylor

(8 pages, 20 minute read)

Background

This chapter, from a book published in 2016 at the time after the first Black Lives Matter protests, introduces the complex interactions between racism and capitalism in the U.S. Taylor reiterates CLR James' assertion that Black struggles for democratic rights have been at the forefront of the socialist movement in the U.S. In turn, socialists have been central to anti-racist struggles. Taylor argues that the U.S. ruling class has used racism and white supremacy, first to justify slavery, then to divide workers. The chapter highlights Marx's statements on slavery, the Civil War, and capitalists' use of ethnicity to divide workers.

This is a brief excerpt from a book dealing with the profound question of the relationship between racism and capitalism. For some more discussion on the topic check out the NPEC PODCAST EPISODE accompanying it.

See below for some suggested discussion guidelines for your group.

If you found this excerpt useful, please consider supporting Haymarket Books by purchasing the full book, here. And remember: DSA chapters and working groups are eligible for a bulk discount from Haymarket.

Reading D: "But at Least Capitalism Is Free and Democratic, Right?" by Erik Olin Wright

(4 pages, 8 minute read)

Background

In this brief piece, Olin Wright takes the common assumption that capitalism grants us freedom and democracy and lays out simply how that's not the case. The working class has a "choice," but only between working and starving —and that's no choice at all. And, at work, workers are subject to the whims of their employers, giving over at least eight hours of the day to someone else's control. He also succinctly lays out how governments steward the interests of capital, and how in turn capitalists control the political system.

Listen here for the NPEC CLASS PODCAST EPISODE on the article for a summary of the arguments and some thoughtful unpacking of the core concepts.

See below for some suggested discussion guidelines for your group.

Discussion Guide

If no one has prepared notes for the discussion, have one or two members read out the Module Preview.

Objectives: Understanding the nature of the system we live in and its contradictions. How those contradictions hold within them the possibility of socialism.

Core concepts:

- How capitalism came into being, the origin story.
- The economic mechanisms of capitalism, what makes capitalism tick.
- What is the relationship between capitalism and racism?
- Capitalism is not really a “free” and “democratic” society.

Sample questions:

Open ended questions that anyone can answer are a great way to get a conversation going (try a go-around if the group is small, or break out into groups if the group is very large):

- What is class? What classes are there? What class are you part of?
- What does it mean to say that the history of society is the history of class struggles? Why does it matter?
- What do you think the relationship between racism and capitalism is? And how does that affect how we approach racism in your opinion?
- What would a free society look like? What would it take to make you feel free?

(If a point is made that may be subject to debate, ask others to respond if they see things differently. Encourage everyone to use "I" statements.)

Possible exercise:

Break into pairs (or in a small group employ a go-around) and have each person try to explain one of the following concepts to someone in their life who is not a socialist (they should think of someone specific!):

- Class
- Class struggle
- Exploitation

Come back to the group and ask if anyone struggled to define these, what was difficult in the definition? Have others respond with their

thoughts on how to explain those concepts that were challenging.

In depth discussion questions for each reading

Reading and discussing the **Communist Manifesto**:

- What does it mean to say that the history of society is the history of class struggles? How does that affect the way that socialists look at the world?
- What are the main classes in modern society as described in the Communist Manifesto?
- How do these classes emerge in the transition from feudalism and other forms of pre-capitalist society to capitalism?
- How does the proletariat (the working class) come into organization and motion as a class? What are the effects of this organization and motion?
- Why does capitalism generate an endless drive to produce ever more commodities? What does that tell us about the possibility of stopping global climate change under capitalism?

Reading and discussing **Understanding Capitalism:**

- What defines the working class under capitalism? What defines the capitalist class? Why does each act the way it does?
- What is the fundamental relationship between workers and capitalists? How does this shape society in general?
- Capitalists obtain profit by selling products for more money than the costs they pay for producing them. How does the drive to make profit affect workers?
- How does the pressure of competition among capitalists affect the wellbeing of workers?

Reading and discussing **From #BlackLivesMatter to Black Liberation:**

- What is the relationship between racism/slavery and capitalism?
- How can we combine anti-racism and class struggle?
- Is the U.S. ruling class still using racism to divide workers?

Reading and discussing **But At Least Capitalism is Free and Democratic:**

- What does it mean to be free? What does it mean for a society to be a democracy?
- What does Wright mean by the separation between the private and public spheres? How does this manifest in capitalism?
- How does capitalism limit human freedom?

- In what ways is democracy limited under capitalism?
- Does the Bill of Rights provide a degree of democracy, and how have these rights been used by the working class to its advantage?

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